

Message Text

CONFIDENTIAL

PAGE 01 TOKYO 11625 100958Z

46

ACTION EB-11

INFO OCT-01 EUR-25 EA-11 ISO-00 SCEM-02 INT-08 AID-20

CIAE-00 COME-00 FRB-02 INR-10 NSAE-00 RSC-01 TRSE-00

XMB-07 OPIC-12 CIEP-02 LAB-06 SIL-01 OMB-01 NSC-10

SS-15 STR-08 CEA-02 PM-07 L-03 H-03 DODE-00 PA-03

USIA-15 PRS-01 NEA-10 DRC-01 /198 W

----- 049470

R 100835Z SEP 73

FM AMEMBASSY TOKYO

TO SECSTATE WASHDC 6628

INFO AMEMBASSY MOSCOW

AMCONSUL HONG KONG

USLO PEKING

C O N F I D E N T I A L TOKYO 11625

DEPT PASS EXIMBANK

E.O. 11652: GDS

TAGS: ENRG, PFOR, JA, UR

SUBJ: SOVIET MOVES ON TYUMEN OIL PIPELINE

REF: TOKYO 10920

SUMMARY: SOVIET FIRST DEPUTY MIN OF FOREIGN TRADE TOLD JAPANESE DURING RECENT VISIT THAT MAXIMUM OIL SALES THROUGH TYUMEN OIL PIPELINE WOULD BE 25 MILLION TONS PER YEAR, RATHER THAN 40 MILLION TONS JAPANESE HAD EXPECTED. JAPANESE RESERVED THEIR POSITION, CLAIMING SOVIET ACTION RAISED QUESTIONS RE ECONOMIC JUSTIFICATION OF PROJECT. END SUMMARY.

1. DURING RECENT VISIT TO JAPAN OF SOVIET FIRST DEPUTY MIN OF FOREIGN TRADE, IVAN SEMICHAISTNOV, (SEE REFTEL) JAPANESE
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 TOKYO 11625 100958Z

WERE UPSET TO LEARN THAT SOVIETS HAD APPARENTLY SHIFTED THEIR

POSITION ON TYUMEN OIL PIPELINE OUTPUT. ACCORDING TO JUNZO HIGAKI, SENIOR EXECUTIVE DIRECTOR OF OVERSEAS PETROLEUM CORP (OPC), (COORDINATING FIRM FOR TYUMEN PROJECT), SEMICHASTNOV TOLD IMAZATO, PRES OF OPC, THAT SOVIETS COULD SUPPLY ONLY 25 MILLION TONS OF OIL PER YEAR (AT FULL PRODUCTION) THROUGH TYUMEN PIPELINE RATHER THAN 40 MILLION TONS PER YEAR THAT JAPANESE EXPECTED. SOVIETS OFFERED NO EXPLANATION FOR SHIFT, HIGAKI SAID, OTHER THAN SAYING THAT 25 MILLION TON FIGURE CONSISTENT WITH SOVIET ENERGY POLICY AND CURRENT OIL SUPPLY AND DEMAND CONDITIONS WITHIN SOVIET UNION. SOVIETS ASKED THAT JAPANESE SIGN MEMORANDUM TO EFFECT THAT THEY ACCEPTED THIS OUTPUT LEVEL. ACCORDING HIGAKI IMAZATO REFUSED, REPLYING THAT SOVIET SHIFT RAISED QUESTIONS ABOUT ECONOMIC JUSTIFICATION OF PROJECT, AND THAT JAPANESE SIDE WOULD HAVE TO STUDY SOVIET PROPOSAL CAREFULLY.

2. ACCORDING TO PRESS REPORTS, SOVIETS INTEND TO USE 15 MILLION TONS OF OIL WHICH DEDUCTED FROM FIGURE JAPANESE HAD HOPED TO RECEIVE TO SUPPLY SOVIET REFINERY TO BE BUILT AT NAHODKA. PRESS REPORTS CONFLICT, HOWEVER, ON WHETHER REFINED PRODUCT FROM NAHODKA REFINERY WILL BE EXPORTED BY SOVIETS, RETAINED FOR DOMESTIC USE, OR COMBINATION OF BOTH.

3. KAZUMI SUZUKI, MANAGER OF OIL IMPORT SECTION OF IDEMITSU OIL CO, TOLD EMBOFF SEPT 7 THAT SEMICHASTNOV GROUP HAD MADE NO MENTION OF PLANNED DISPOSITION OF REFINED PRODUCTS FROM NAHODKA REFINERY AND HAD SAID ONLY THAT MAXIMUM CRUDE OIL OUTPUT WOULD BE 25 MILLION TONS PER YEAR. SUZUKI NOTED THAT IT KNOWN THAT SOVIET DID HAVE PLANS TO CONSTRUCT REFINERY IN NAHODKA AREA WITH CAPACITY OF 12 MILLION TONS PER YEAR, BUT HE STRESSED THAT IT ONLY PRESS SPECULATIONS THAT ANY PART OF REFINERY OUTPUT WOULD BE SOLD TO JAPAN.

4. BOTH HIGAKI AND SUZUKI (IN IDENTICAL EXPLANATIONS) TOLD EMBOFF THEY SAW TWO POSSIBLE MOTIVES FOR SOVIET ACTION: (A) AS TACTIC TO MAKE JAPANESE EITHER PAY HIGHER PRICES FOR ADDITIONAL OIL OR PUT UP MORE FUNDS FOR FURTHER EXPLORATION IN TYUMEN AREA (SEE TOKYO 11013) OR (B) AS BARGAINING POINT ON WHICH SOVIETS COULD EASILY CONCEDE DURING TANAKA-BREZHNEV SUMMIT IN ORDER AS JAPANESE PUT IT "TO GIVE TANAKA

CONFIDENTIAL

CONFIDENTIAL

PAGE 03 TOKYO 11625 100958Z

A PRESENT."

5. COMMENT: JAPANESE HAVE FOR PAST YEAR AND A HALF ALWAYS USED RANGE OF 25-40 MILLION TONS PER YEAR AS EXPECTED OUTPUT OF PIPELINE, NOT INCLUDING ABOUT 10 MILLION TONS WHICH SOVIETS WERE EXPECTED TO WANT FOR USE IN FAR EASTERN SIBERIA. SOVIET TRADE REP PETROSIAN ALSO TOLD EMBOFF ABOUT MONTH AGO THAT SOVIETS HAD NEVER GUARANTEED ANY MORE THAN 25 MILLION TONS OF

CRUDE OIL PER YEAR TO JAPAN. NEVERTHELESS, IT APPEARS PROJECT PROMOTERS PLACED STRONG HOPES ON HIGHER FIGURE.

6. EMBASSY WOULD NOT INTERPRET SEMICHAISTNOV'S DISCLOSURE AS SOVIET TACTIC, BUT RATHER AS ONE OF NUMBER OF RECENT INDICATIONS THAT SOVIETS CONCERNED ABOUT THEIR OWN ENERGY SITUATION AND THEIR ABILITY TO EXPORT SUBSTANTIAL QUANTITIES OF OIL TO JAPAN.

7. EMBASSY UNDERSTANDS THAT JUNZO HIGAKI, AS WELL AS TANAKA AND NIISHIDA OF OPC STAFF, WILL VISIT US SEPT 17-23, AND WILL CALL ON FIRST VICE PRESIDENT SAUER AND EXECUTIVE VICE PRESIDENT BOSTWICK OF US EXIMBANK ON SEPT 20. EXIM MAY WANT TO PURSUE QUANTITY ISSUE WITH HIGAKI FURTHER AT THAT TIME. INGERSOLL

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 10 SEP 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: elyme
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973TOKYO11625
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS INGERSOLL
Errors: N/A
Film Number: n/a
From: TOKYO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t19730944/aaaabggl.tel
Line Count: 130
Locator: TEXT ON-LINE
Office: ACTION EB
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators:
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: TOKYO 10920
Review Action: RELEASED, APPROVED
Review Authority: elyme
Review Comment: n/a
Review Content Flags:
Review Date: 24 JUL 2001
Review Event:
Review Exemptions: n/a
Review History: RELEASED <24-Jul-2001 by shawdg>; APPROVED <13-Nov-2001 by elyme>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: SOVIET MOVES ON TYUMEN OIL PIPELINE
TAGS: ENRG, PFOR, JA, UR
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005